A peaceful finale to 83 years of British rule in Malaya. Tunku (Prince) Abdul Rahman, soon to be the new nation’s first prime minister, addresses his countrymen at merdeka (independence) ceremonies in Kuala Lumpur on August 31, 1957. Great Britain’s official representative, the Duke of Gloucester (right), looks on.
Malaysia

Thirty years ago, two new nations achieved independence from Britain. One was prosperous Ghana in West Africa; it has since become a textbook case of Third World economic folly, official corruption, and chronic repression. The other, in Southeast Asia, was Malaysia (born as Malaya), which had just weathered a bitter communist guerrilla war. Largely ignored by American headline writers, Malaysia's politicians quietly found ways to overcome deep-seated antipathies among its Malay, Chinese, and Indian citizens, and to achieve an unexpected level of prosperity and political tranquility. Here, our contributing authors sketch Malaysia's history under a succession of foreign rulers, including the British, and analyze both Malaysia's success and the new threats that may undermine it.

MONSOON COUNTRY

The capital of Malaya's Red Earth Kingdom was an impressive city, with "triple gates more than 100 paces apart...bedecked with golden flowers, light bells, and hair tassels." Its king sat "on a three-tiered couch, facing north and dressed in rose-colored cloth, with a chaplet of gold flowers and necklaces of varied jewels."

This detailed seventh-century A.D. Chinese description of a vanished Malay city is one of many that have intrigued scholars during the last century. But, as British scholar Sir R. O. Winstedt notes, "Muslim fanaticism" and British ignorance led to the destruction of many important records and artifacts of ancient Malaya. Scholars' knowledge of the era is as fragmentary as the shards of a magnificent urn.

Archaeologists generally agree that the ancestors of the modern Malays trekked overland from the Asian mainland beginning around 2,000 B.C. Some settled along the peninsula's many jungle rivers, forcing Malaya's aborigines to retreat into the wilderness. Others pushed on, journeying by outrigger canoe throughout the Malay Archipelago—the scattered islands of present-day Indonesia and the Philippines.

It was Malaya's good fortune to lie midway between India and China, blessed by seasonal monsoons that swept sailing ships from China.
to Malaya and thence to India during part of the year, then shifted, reversing the seaborne commerce. "Few traders made complete journeys between India and China," writes British historian John M. Gullick. "Instead they made a crossing to Malaya where they could exchange cargoes with merchants coming in the opposite direction."

The first mariners to reach Malaya from outside the archipelago were probably traders from India, who seem to have established a solid presence on the peninsula by the second century A.D. Missionaries, fortune-seekers, and settlers followed, bringing with them the customs of India and also its religions—Buddhism and Hinduism. The insular Chinese journeyed to Malaya only sporadically, and their influence was far outweighed by that of the Indians.

By the 10th century, at least 30 “Indianized” Malay city-states had taken root along the peninsula’s coast and rivers. They were surrounded by a lush but inhospitable land, inhabited by elephants, tigers, macaws, cobras, and an occasional tribe of wandering aborigines. The coast was fringed with leech-infested mangrove swamps, which gave way to smothering jungles of bamboo and other flora, and a central mountain range cloaked in rain forests—all nurtured by the unremitting equatorial heat and up to eight feet of annual rainfall. The heavy rains depleted the soil, sharply reducing crop yields and making it hard for farmers to support large towns.

The Malay city-states were, in truth, minor settlements, probably little more than large fishing and trading kampongs (villages). They were all weak, variously owing fealty to distant rulers in Siam, or the kingdoms of Buddhist Sri Vijaya (in Sumatra) and Hindu Majapahit (in Java). In 1292, when Marco Polo sailed through the Strait of Malacca, between Malaya and Sumatra, on his way home to Venice from China, he found nothing in Malaya worth noting in his journal.

40,000 Souls, 84 Tongues

Barely a century later, Malacca blossomed into one of Southeast Asia’s greatest kingdoms.

Malacca was a fishing village of perhaps a few hundred souls when a Sri Vijaya nobleman named Parameswara sought refuge there around the year 1400. Driven from his Sumatran homeland years before, he had traveled to Tumasik (Singapore), where he murdered the local chief, seized power, and formed a small pirate fleet. But his reign was brief. To escape the vengeance of the murdered chief’s Siamese protectors, he had fled to Malacca, taking with him perhaps 1,000 followers.

Malacca was an excellent pirate’s lair. Strategically located at a choke point along the busy Strait, it boasted a sheltered harbor dominated by a low, easily fortified hill. But the shrewd Parameswara soon realized that Malacca’s future lay in legitimate trade, and not in racketeering. When an envoy of China’s Emperor Chu Ti sailed into Malacca
A view of Malacca and its harbor around 1700, when the Dutch used the city chiefly as a fortress, trying to control shipping in the Strait. Inland, in the jungles, the Malays continued to live much as they had for centuries.

Harbor around 1403, Parameswara pledged his fealty and gained the protection (and Chinese trade) that would allow Malacca to grow into a thriving port—“a vast fair” writes historian D. G. E. Hall, where “products of China and the Far East were exchanged for those of Europe.”

Parameswara’s successors extended their domain north to the mountainous border with Siam, and across the Strait of Malacca, to enclaves on the east coast of Sumatra. On the peninsula, they established sultanates in Perak and Johor, which survive today as Malaysian states.

Of greater importance, Malacca introduced Islam to Malaya. In 1445, after one of Malacca’s frequent palace coups, a nobleman named Muzaffar Shah seized the throne and took a new title, sultan. Muzaffar was half Indian, and his family had converted to the mysticism-tinged Islam of the subcontinent. Malacca’s nobles, and, eventually, its ra’ayat (commoners), obediently adopted their sultan’s creed. The city became a seat of Islamic learning; zealous Malacca-based traders and missionaries spread Islam throughout the Malay Archipelago. Yet the Malays were not doctrinaire; they blended the ways of Islam with the familiar rites and customs of older faiths. Noblemen retained their Hindu titles; Buddhist rituals remained a part of everyday living.

Malacca reached its zenith soon after Muzaffar converted its people to Islam. His successor, Sultan Mansur Shah, erected a grand palace, boasting a seven-tiered roof, plated in copper and zinc and topped by gilded spires that overlooked the port. The Malay Annals (circa 1534), a Malay-authored mixture of history and fable, boast that the city’s fame spread “from below the wind to above the wind.”
In 1511, Malacca’s riches attracted the attention of the Portuguese Viceroy Alfonso d’Albuquerque. He was a man of grand ambitions, who had once plotted to defeat the hated Moorish infidels of Egypt by building a canal to empty the Nile River. He arrived off Malacca, fresh from victories in India, with a small fleet and some 1,400 infantrymen. For two months, the Malays repulsed d’Albuquerque’s assaults. “But the Portuguese soldiers were disciplined and fanatical,” writes Winstedt, “and their artillery outranged the Malay guns.” During a last ferocious assault, the Malays were routed and the city was sacked.

The Portuguese gloated over their prize. “Men cannot estimate the worth of Malacca, on account of its greatness and profit,” wrote Tomé Pires, an entrepreneur who visited a year after the conquest. “The trade and commerce between the different nations for a thousand leagues on every hand must come to Malacca.”

Pires found a city of some 40,000 souls, many of them merchants and transients from other lands. Among them were Moors from Cairo, Mecca, and Aden; and Indians, Chinese, and Cambodians. All told, Pires counted 84 languages in Malacca’s thriving bazaars and marketplaces. In reports to Lisbon, he catalogued the city’s riches with the feverish precision of a man who fears that he will not be believed: indigo, pearls, tin, opium, rosewater, tapestries, silks, raisins, gold, damask, and especially spices—pepper, nutmeg, cloves.

Pires pleaded for “excellent officials, expert traders, lovers of peace” to rule Portugal’s new colony; instead, Lisbon sent greedy opportunists. “Ask if they pay taxes, if they make monopolies, if they help themselves with the King’s money,” demanded the angry Jesuit missionary, St. Francis Xavier. Soon the ships from India, China, and the nearby islands found other ports of call; the foreign merchants departed.

Going Dutch

To all but a few Malays, the riches of Malacca had never been anything but a fantasy. While the city’s trade prospered under the sultans and, for a time, the Portuguese, most of its wealth remained in the hands of foreigners or the royal family and its retainers. Farming folk and fishermen, the Malays kept to their padi (rice) fields and boats.

The Malay kampongs clung to the banks of the country’s many rivers or nestled in small inlets along the Strait. The living was easy. Inhabiting simple thatch-roofed houses built on stilts, the villagers fished, tended their padi, and harvested coconuts and bananas from trees planted near their homes. Some bartered tin, rattan, or gold with river traders. More than a few restless lads turned to piracy, prowling the rivers and the Strait in their long-proved prahus, hoping to catch a lightly armed merchant vessel unaware.

An imam saw to each kampong’s Islamic customs, while a penghulu (headman) presided over secular affairs. Near the mouth of
each major river lived the regional chieftain, or raja, who, often by possessing a brass cannon, enjoyed feudal powers over his subjects upstream. He collected taxes on all river trade, and exercised the right to requisition his subjects’ labor to erect a mosque or anything else that pleased him. His revenues enabled him to hire a private army of mercenaries. “Debt slaves,” subjects who had borrowed money from him on terms that offered little hope of repayment, were his household servants.

In theory, the rajas variously owed allegiance to one of a handful of sultans. But the sultans were largely powerless, exercising real authority only in times of war.

After Malacca fell to the Portuguese in 1511, the sultans of Johor, Perak, and Pahang (joined at times by the Sumatran kingdom of Acheh, and later by the Dutch) intermittently laid siege to the city. It was not until 1641, when the Portuguese had been driven from much of Southeast Asia, that strongly fortified Malacca finally fell to the Dutch.

**Tin, Coolies, Pax Britannica**

But the Dutch, whose lucrative traffic in East Indian spices flowed through Batavia (Jakarta) on the island of Java, had no wish to support a rival port. Malacca’s population soon dwindled to some 5,000; a visitor in 1699 called it “a Place of no great Trade.” Attacks by the Bugis, a seafaring tribe of ethnic Malays from the Celebes Islands, hastened its decline. The Bugis never conquered Malacca, but they carved out fiefdoms elsewhere on the peninsula, creating a new sultanate in Selangor.

Toward the end of the 18th century, the Dutch, overextended like the Portuguese before them, began to lose their grip on their Asian empire. In 1786, Britain acquired the island of Penang from the sultan of Kedah and established a naval base at George Town; in 1795, British troops occupied Malacca; in 1819, Thomas Stamford Raffles established Singapore (Turnasik having long since disappeared) on a swampy island at the tip of the peninsula.*

The Dutch bowed to the inevitable in 1824. The British won sovereignty over the so-called Straits Settlements and an exclusive sphere of influence in much of the Malay Peninsula. The king of Siam retained indirect control over four northern states (Kedah, Perlis, Kelantan, and Trengganu), content to leave the sultans of these impoverished districts mostly to their own devices.

The British did not seek to rule the entire peninsula. In 1824, London was reluctant to add to Britain’s vast and costly empire. By acquiring the Straits Settlements, the Colonial Office hoped mainly to protect the India-China trade route against European competitors—notably France and Spain—and local pirates. Once again, however, events in far off lands altered Malaya’s destiny.

*The future of Singapore, settled mostly by Chinese immigrants, was to diverge sharply from that of the rest of Malaya (see “Singapore,” Wilson Quarterly, Winter ’83).
During the 1860s, a new industry was born when manufacturers in Baltimore and New York pioneered the mass production of tinned meats and fish to provision Union troops on America's Civil War battlefields. In Malaya, enterprising Chinese merchants in the Straits Settlements were already operating small-scale commercial tin mines in the steamy interior of Perak and Selangor. Demand for Malaya's tin soared. In desperate need of cheap labor—the Malay states in Britain's domain contained at most some 300,000 inhabitants—the Chinese mine owners began importing tens of thousands of indentured "coolies" from South China to mine tin from open pits. Ultimately, the Chinese would play as important a role as the British in shaping Malaya's future.

Arriving by junk in Singapore or Penang, sometimes in chains, a new arrival was immediately inducted into the Chinese secret society that ruled his particular mining camp. Living far from family and friends, succumbing by the thousands to malaria and other tropical diseases, the miners purchased the protection of the societies with their absolute loyalty. The societies clashed repeatedly. A drunken brawl between two miners belonging to rival societies, or a dispute over a land claim, could bring hundreds of armed Chinese into battle, with the victors celebrating by dyeing their shirts in the blood of the vanquished. The local Malay chiefs, their small armies vastly outnumbered by the Chinese, had no hope of keeping order.

The Strait merchants had long clamored for British protection of the tin mines. Now, Her Majesty's government feared that French or German interlopers would step in to assure law and order if Britain did not. Late in 1873, Sir Andrew Clarke, the new governor of the Straits Settlements, arrived in Singapore with fresh orders from London.

Within months, he reported the results to the Colonial Office. His superiors were not displeased to find that he had greatly exceeded his mandate. Not only had he negotiated a peace between the warring Ghee Hin and Hai San societies in Perak, but he had also intervened in a Malay dispute over the succession to the sultanate's throne, throwing British support behind Sultan Abdullah. In return, under the Pangkor Engagement, Abdullah had agreed to accept a British resident "adviser."

A new era was about to begin. Malaya had been convulsed by war and unrest for centuries. The British, reluctant at first, would bring prosperity and the rule of law to Malaya, along with the burden of foreign direction. And the Malay leaders, with equal reluctance, would gradually come to embrace the British solution.
THE BRITISH LEGACY

by J. Norman Parmer

J. W. W. Birch was an odd choice to be the first British adviser in Perak. An imperious colonial bureaucrat with 30 years of service, mostly in Ceylon, he had little knowledge of Malaya's customs or its language. But he exemplified the patriotism and starchy self-confidence of the Victorian Englishman, convinced, as historian Joseph Kennedy put it, that "if one Mr. Birch died, another would take his place."

Upon his arrival in Perak in 1874, Birch, along with his deputy, Captain T. C. S. Speedy, promptly set to work imposing British notions of good government on Sultan Abdullah's land.

To the horror of the local chiefs, Birch decreed that taxes on the river trade would be collected only by the sultan's agents, and Birch himself sometimes patrolled the Perak River and its tributaries, hunting for violators. While he would have liked to ban debt slavery immediately, Birch settled for turning the British compound at Bandar Bharu into a sanctuary for escaped slaves. He did little to soothe local sentiment. As his successor later noted, Birch "was violent, drank, and did some high-handed things."

The resulting uproar among the Malay nobles was enough to unite Abdullah and his former rivals for the throne in a plot to rid themselves of the Englishman. On November 2, 1875, a band of Malays murdered Birch as he bathed in the Perak River near the kampong of Pasir Salak.

In the age of pax Britannica, retribution for such crimes was swift. After a small expedition of British-led Sikh policemen was mauled by Malay defenders at Pasir Salak, a stronger force of 1,200 troops and five gunboats summoned from British garrisons in India and Hong Kong eventually put the rebels to rout. The malefactors surrendered and some were executed; Sultan Abdullah was exiled and replaced by a more tractable regent, Raja Yusuf.

The Perak War, as one colonial official put it, "furnished to the civil officers that material support which was necessary to enforce respect for their advice in trying to introduce a better form of government.” But it also taught the British a lesson. To rule Malaya, a minor outpost of the Empire, without great cost in blood and treasure, they would have to win over its sultans and nobles.

Birch's successor in Perak, a botanist-turned-bureaucrat named Hugh Low, became the model British adviser. Fluent in Malay, forceful yet diplomatic, Low persuaded the new regent, Raja Yusuf, to create a State Council to govern in his name. Yusuf would preside, but Low and his assistant, the principal Malay chiefs, and the heads of the two local communities took part in the decision-making process.
Chinese secret societies would have equal votes. Low seldom failed to carry a majority of the council with him. When the chiefs were barred from collecting taxes, Low carefully arranged to compensate them for their revenue losses with generous “political allowances.” Lesser Malay notables were awarded sinecures as local magistrates or police officials. Low’s move to abolish “debt slavery” in 1884 stirred little protest.

The bargain Low struck laid the foundation of British rule for the next 73 years, as Britain peacefully extended the adviser system to the rest of the peninsula. Malaya would never formally become a colony; the British would rule “in the name of the sultans.” As a saying of the time expressed it, “The British adviser ruled and the Malay ruler advised.”

The key to British rule was the mutually satisfactory accommodation between the British and the Malay aristocrats. “The Malay ruling class,” writes Stanley S. Bedlington, an ex-colonial administrator, “found the transition to British rule not too difficult a pill to swallow.” The aristocrats grew rich on their pensions and perquisites, surrounding themselves with princely trappings, even as their real power over Malaya’s destiny waned. But the British obligingly vowed not to disturb Malay customs or the practice of Islam; ordinary Malays would remain farmers and fishermen, loyal subjects of their sultans.
The British took a paternalistic, sometimes sentimental, interest in their new subjects. They admired the Malays' generosity and hospitality, their ingrained sense of etiquette, and their veneration of tradition and authority. A proud people, the Malays nevertheless spoke with great circumspection, using proverbs and allegories to avoid affronting others. "There is something in the Malay character which is congenial to British minds," Thomas Stamford Raffles had observed during his early years in Singapore. The Malays, it was said, were "Nature's gentlemen."

But even the British found the Malays too tradition-bound—"better the death of one's child than the death of one's adat [custom]," says an old Malay proverb. And virtually every European was puzzled by the Malays' reluctance to abandon their kampongs and their way of life for low-paying jobs in the larger towns and tin mines. The Malays saw it as no fair exchange. The tuans (masters) generally concluded that the Malays were lazy—"the leading characteristic of the Malay of every class," asserted Frank Swettenham, a prominent colonial official.

"Kuala l'impure"

Perhaps, he speculated, it was the enervating tropical climate, or what he saw as the ease of keeping food on the table. Perhaps the Malays had concluded that "possessions immediately attracted the attention of those who felt that they could make better use of them than the owner." The British could not understand how a people seemingly so indifferent to the accumulation of wealth could perform "prodigies" when ordered to work for others, especially their rajas.

Whatever the explanation, the British decided that the Malays were largely unprepared (and too few) to build a modern economy. That, they determined, without reckoning the future consequences, would be the work of imported Chinese and Indian immigrant laborers. The Malays would be "protected"; a few would be trained for civil service jobs.

In time, the British selected a handful of the more ambitious young Malay blue bloods and a few ra'ayat (commoners) to receive an English education at "the Malay Eton," the Malay College at Kuala Kangsar, and to join the civil service in low-level positions. They could advance in their careers only by adopting English attitudes and dress—and even English sports such as cricket and golf. The result was a small, but ultimately very influential, corps of English-educated Malay administrators.

At first, however, the British advisers were virtually alone in their jungle outposts. They saw themselves as bearers of the White Man's Burden, bringing the fruits of Western civilization to an untamed land.

THE WHITE RAJAS OF SARAWAK

On November 24, 1841, Raja Muda Hasim of Sarawak, clad in a splendid silk suit, with a large ceremonial kris (sword) protruding from beneath his sarong of gold brocade, solemnly informed his subjects that he would rule no more. Henceforth, an Englishman, James Brooke, would be raja of Sarawak.

Six years earlier, at age 32, Brooke had inherited the fortune that enabled him to buy a six-gun schooner, the Royalist, and pursue his dream of finding riches and glory in the East. In August 1839, he was more or less at loose ends in Singapore when intriguing news arrived from Sarawak, on the island of Borneo, 400 miles to the east. The native Dyak headhunters had taken up arms against their indolent Malay ruler; Hasim had appealed for British aid.

Lacking official sanction, but armed with the Royalist's cannon, Brooke immediately set sail. "I feel confident something is to be done," he wrote.

Hasim was a man of about 40, writes Brooke's biographer, Robert Payne, "a little fat, pleasant, with a delightful smile and winning manners." He was weary of fighting. After weeks of elaborate ceremonies and feasts, Hasim made his offer: If Brooke would defeat the rebels and pay Hasim a handsome pension, Sarawak would be his. The Englishman's victory was quick and bloodless. There were more feasts and honors. Brooke received his reward only when he threatened to sail away from Sarawak, leaving Hasim to the Dyaks. Without his protection, Hasim would lose his throne and his head. And so James Brooke became the first white raja of Sarawak.

Sarawak, however, was not the paradise of Raja Brooke's youthful dreams. Its capital, Kuching (pop. 800), lay deep in the jungle, 35 miles up the Sarawak River, "a very Venice of hovels," Brooke wrote, "fit only for frogs." But Raja Brooke was no ordinary imperialist. He regarded the white man as the leading source of corruption in the East. "No rational Englishman," he wrote, "can observe the deterioration of the native character arising from their contact with the whites, without a blush." Brooke and his successors (his nephew, Charles, and Charles's nephew, Vyner) sought to restrain the "ogre Progress." Foreign investment and native education were restricted.

Yet the white rajahs were also reformers. James curbed piracy, ended the Malays' tyranny over the Dyaks and other native tribes (who were sometimes forced to sell their children into slavery), and outlawed headhunting. Charles and Vyner nudged the Malays and natives toward self-government.

Sarawak became a British protectorate in 1888 and a British colony in 1946. By 1963, when Britain ceded Sarawak (and the neighboring colony of North Borneo) to the new Federation of Malaysia, Sarawak had become a peaceful Asian backwater. The Brookes, as historian N. J. Ryan wrote, had "made haste slowly, perhaps a little too slowly for the well-being of their subjects in the 20th century."
“Things moved quickly,” Swettenham later recalled, “the country was very rich, and only required peace and order to develop with amazing rapidity.” In fact, however, what Malaya needed most was capital, and Swettenham and other senior British advisers often went home to London to woo potential investors. The local Chinese were more eager than the British to put money into Malaya. In the tin-rich states of Perak and Selangor, new mining camps were hacked out of the jungle overnight and instantly filled with Chinese laborers.

Kuala Lumpur (translation: Muddy River Junction), founded in 1857 by Chinese tin prospectors, became the center of the tin industry. In Swettenham’s time, it was a lawless, smelly, disease-ridden town of some 4,000 people presided over by Yap Ah Loy, the famous Capitan China. Although he was appointed by the sultan, the iron-willed Capitan, who was known to pay in silver coin for the heads of those who dared oppose him, made few concessions to his host’s Islamic sensibilities. Kuala Lumpur, like Ipoh, Larut, and most of Malaya’s other larger settlements, was a Chinese town. A huge open-air gambling hall in the town’s main square attracted throngs of boisterous Chinese miners around the clock, while the brothels, bars, and opium dens that lined the narrow, muddy side streets offered other amusements. Decades later, Jean Cocteau could still call it Kuala L’impure.

‘Straits Tin’

Using license fees from the trade in vice and the growing revenues from levies on tin, Swettenham and his colleagues financed a network of roads and rail lines from the interior to small ports along the Strait of Malacca. Chinese-owned coastal steamers plied the Strait.

The new roads and railways transformed the jungles and rain forests, invading the Malayan hinterland with money and people. Sugar, tapioca, coffee, and coconut plantations, started by Chinese and British planters, sprouted along the railroad tracks. Chinese financiers bankrolled dozens of new tin mines in Perak and Selangor, while British entrepreneurs built tin smelters in Penang and Singapore. At the turn of the century, “Straits tin” claimed half of the world market.

By 1896, prosperity and the influx of immigrant labor had greatly complicated the affairs of the four states with British advisers—Perak, Selangor, Pahang, and Negri Sembilan. In the interest of efficiency, Swettenham persuaded the sultans to join in forming the Federated Malay States under a single resident-general (Swettenham) in Kuala Lumpur. (A fifth state, Johor, maintained such close ties to the British authorities in Singapore that it was not included in the federation.) The Malay rulers hoped that the new arrangement would restore some of their lost powers. In fact, the British tightened their control.

Thus, in 1909, when Siam finally yielded to Britain its suzerainty over relatively prosperous Kedah, tiny Perlis, and isolated Kelantan and
Trengganu, the four ruling sultans accepted British advisers but refused to join the federation. The latter two states, shielded by jungle and mountains from the prosperous west coast and its busy ports, were sparsely populated and poor. Only during the 1960s would they begin to catch up to the other states of the Malay Peninsula.

It was typical of the prosaic quality of British rule that it was another unheroic botanist, following in the footsteps of Hugh Low, the botanist-bureaucrat, who made a decisive contribution to Malaya's destiny. The man was H. N. Ridley, director of the Singapore Botanical Gardens. Around the turn of the century, he single-handedly promoted the commercial potential of Brazilian rubber plants among Malaya's coffee growers, literally shoving handfuls of seeds into their pockets.

The Rubber Boom

"Rubber Ridley" could not have guessed that the Western industrial revolution, especially the introduction of Henry Ford's mass-produced Model T in 1908, would create such an enormous demand for rubber tires. By 1910, the price of rubber had soared to $5 per pound. The coffee growers who had heeded Ridley's advice made fortunes; others rushed to get in on the bonanza.

In one year alone, Chinese laborers using little more than axes and machete-like parangs cleared and planted nearly 200,000 acres of virgin jungle and rain forest, which their Chinese employers in the Straits Settlements then sold to European planters.

The first rubber plantation was a Chinese venture, and the Chinese rapidly carved out rubber smallholdings of their own, employing Chinese workers. But the great majority of large estates (more than 100 acres) were British-owned. To tap the long-stemmed trees and weed the fields, the owners of large plantations imported tens of thousands of Indian laborers, mostly dark-skinned Tamils from the south of India. Working six- to eight-hour days, they lived on the isolated rubber estates in long, ramshackle, wooden "lines" (buildings) partitioned into cubicles. The estate's toddy shop, its Hindu temple, and the occasional family quarrel or vagrant tiger provided the sole relief from the tedium of plantation existence. Funerals were common: The freshly cleared countryside provided ideal breeding grounds for malaria-bearing mosquitoes.

Some higher caste Indians made their way to the cities, where they worked as clerks, shopkeepers, and lawyers. As subjects of the British Crown, the Indians enjoyed some protections that the Chinese did not—a 1912 law, for example, required the proprietors of large estates to provide rudimentary schooling for Indian children.

The rubber boom was sustained by the outbreak of World War I in 1914. Apart from the shelling of Penang by the roving German cruiser Emden (soon sunk by British warships) that October, Malaya participated in the war only by proxy—through the Atlantic exploits of the
battleship H. M. S. Malaya, financed and presented to the British Crown
by the sultans as a token of their esteem.

Rubber brought a new wave of prosperity. Singapore, by virtue of
its superior harbor and location, had long before surpassed Penang as
Malaya’s leading port city, and had become one of the busiest ports in
Asia. The trade in rubber strengthened its claim as the new Malacca, a
cosmopolitan entrepôt for all the products of East and West—tin, spices,
machinery, oil, textiles, and now, rubber. Rubber was a British innovation,
but the Chinese were deeply involved in the business, as indeed
they were in everything that involved money in Malaya. The Chinese
were everywhere, from the outskirts of the cities, where some scratched
out a living as truck farmers, to the rough tin mining camps, to the
streets of Kuala Lumpur, where they worked as domestic servants,
street vendors, shoemakers, or shopkeepers. At the top of the heap
were the financiers, importers, and small factory owners of Singapore,
George Town, Kelang, and other cities.

The clannish Chinese maintained a network of mutual aid organiza-
tions—funeral and benefit societies, trade associations, schools—divided
chiefly along lines of dialect and education. The Malays regarded the
Chinese with distaste and muted resentment, the British with admiration
touched by disdain. “It is questionable,” Swettenham wrote, “whether
we should deserve [the Malays'] thanks if we could teach them the
tireless energy, the self-denying frugality of the Chinese."

British, European, and Chinese investors, attracted by Singapore's
free port status and its cheap Chinese labor, poured in millions of dollars.
The city flourished. A 1933 British travel guide advised gentlemen to
pack four white drill suits ("this is, of course, in addition to the thin
summer suits and flannels which one would already possess") as well as
two white dinner jackets for evening meals at Singapore's fine hotels.

For Europeans outside the cities, life was comparatively quiet. In
the interior, every large town had a club, where the British plantation
managers (usually the employees of large companies headquartered in
London) could retreat from plantation life perhaps once a week to sip
stengahs (whiskey and water) and gimlets, read the newspapers from
home, and play soccer, rugby, or a few rubbers of bridge. The unofficial
capital of the white man in Malaya—planters and colonial bureaucrats
alike—was Kuala Lumpur's segregated, Tudor-style Selangor Club, af-
fectionately known as the Spotted Dog. In the evening, the scene shifted
to the palatial Lake Club, with its beautiful gardens and manmade lake.

At home, the planters rose at dawn but, in a concession to the
oppressive heat and humidity, returned to their bungalows at noon for
lunch and a nap. It was not always an easy existence. The planters'
memos tell of bloody disturbances in the "lines" by Chinese or Indian
coolies or the occasional Malay amok. (An amok was a man who was
suddenly and inexplicably seized by a homicidal rage, a revolt against
"his perpetual observance of the rules and regulations of his life.") And,
as W. Somerset Maugham's melancholy stories reveal, more than a few
Europeans were driven by the loneliness and torpor of plantation life to
seek solace in the bottle and in other distractions.

Keeping Apart

Thousands of native Malays (and many ethnic Malay immigrants
from Sumatra) worked on the plantations, chiefly, writes Lim Teck
Ghee, "on short-term contracts such as forest felling and timber re-
moval, which did not involve permanent collision with their traditional
way of life." The vast majority of Malays remained in their quiet kam-
pongs. Their thatch-roofed houses, surrounded by small gardens, fruit
trees, and coconut palms, were built on stilts, often near an irrigation
canal or just beyond a river's flood line. Closer to the river were the
brilliant green padi (rice) fields; on the ground rising above the village
began the darker greens of the rubber smallholdings. Not all Malays
were equal. Some were relatively prosperous peasant landholders, oth-
ers impoverished tenant farmers.

The few Malays who tried city life, taking jobs as policemen, teach-
ers, and office boys, tended to keep to their old ways. At the behest of
the sultan of Selangor, the British even established a Malay enclave near
downtown Kuala Lumpur in 1899. But, in fact, even downtown, where Chinese, Indian, and a few Malay shops were crowded side by side, Malay Muslims, Chinese Buddhists, and Indian Hindus kept apart. Each group lived as if in a separate country, in its own community, with its own leaders, language, religion, and culture. The British authorities discouraged assimilation. A divided country is always easier to rule.

Yet the Britons’ motives were not totally selfish. Many colonial officials looked upon themselves as guardians of the Malays against the more aggressive Indians and Chinese. A 1913 law, for example, sought to “protect Malays against themselves” by limiting their right to sell off their ancestral farmlands to speculators and rubber planters. But the law also helped to confine the Malays to their traditional kampong existence.

Few ambiguities surround British policy on Malay education. Around the turn of the century, the authorities felt obliged to offer the sons of the ra'ayat a rudimentary four-year elementary education in horticulture, arithmetic, and the Malay language. And when the Malays proved reluctant to send their children to the new schools, the authorities did add instruction in the Koran to make schooling more attractive.*

*The literacy rate (in Malay) among Malay men rose from less than 20 percent in 1911 to 48 percent in 1931.
But the "vernacular" schools were emphatically not designed to turn the sons of rice farmers into plantation managers, government administrators, or businessmen. Of the young Malay schoolteachers graduated from the Sultan Idris Training College (founded in 1922), the English-language Malacca Guardian wrote with approval: "They teach nothing to distract the Malay villager from the pursuits of his independent agricultural life."

A Thunderbolt

The British felt no obligation to educate the children of the Chinese "sojourners." But they were happy to permit the Chinese (and Indians) to create their own private schools. To placate those who demanded more, the government provided cash grants to the few private secondary schools run by British and American missionaries. Applicants needed some knowledge of English (the language of opportunity) and enough money to pay tuition. Those requirements excluded all but a few Malays, which suited the British fine. As long as the students in the Christian schools were mostly non-Malays, Britain was honoring its pledge to the sultans not to interfere with Islam in Malaya.

By the 1920s, the Chinese-run schools had become incubators of anti-British propaganda, inspired by Dr. Sun Yat-sen's 1911 revolution in China (plotted in part during visits to Penang, and aided financially by the city's Chinese merchants). Later, youthful communist activists from China opened more schools. The new agitation among the Chinese alarmed not only the British authorities but also the traditional Malay leadership. Urged on by the sultans, the British deported hundreds of Kuomintang (Chinese nationalist) and communist activists to China. In 1930, when the Great Depression threw thousands of tin and rubber workers out of jobs, the British seized the opportunity to reduce drastically further immigration by Chinese men. Chinese women were still welcome; the British believed that unwed Chinese men in Malaya were natural troublemakers.

The growth of the Chinese population had worried educated Malays since the 1920s. The census of 1931 confirmed their fears. It showed that they were outnumbered in their own land by foreigners. (Of the total population of 4.4 million, 44 percent were Malays, 39 percent Chinese, 14 percent Indians, and the remainder mostly Eurasians and Europeans.) Educated Malays were outraged when a Chinese political leader in Penang named Lim Ching Yan reminded an audience that the British had discovered Chinese settlers, not Malays, when they came to Penang in 1786. The Chinese, he argued, had built Penang and much of Malaya. Then, the thunderbolt: "It's ours," Lim declared, "our country."

The notion that there was a larger Malaya that anybody could claim as his own had not even occurred to most Malays. The virulent nationalism that was awakening in India, French Indochina, the Dutch East
Indies, and the Philippines still slumbered in Malaya. Malays gave their allegiance to their home state and its sultan. The elite looked to the British chiefly as friends and protectors, and the ra’ayat were not about to spearhead change. They would wait, respectfully, until their aristocratic betters led the way.

Reflecting the English view of Malay village traditions, the few English-educated Malay civil servants and professionals in the towns and cities channeled their political energies into campaigns for Malay self-improvement. In Negri Sembilan, for example, Dato Abdullah, a member of the Federal Council, founded a Better Living Society aimed at curbing a major social problem: heavy Malay indebtedness to Indian and Chinese moneylenders, incurred to finance elaborate wedding ceremonies.

At a conference of Malay civic groups held in Singapore in December 1940, as Britain was bracing for a Nazi assault across the English Channel, the aristocratic Malay delegates could not agree on any plan to unify their organizations, much less Malaya. But they did agree on two things: They created a Spitfire Fund to buy fighter planes for the defense of Britain, and they petitioned Kuala Lumpur to increase the number of English schools for Malays!

Some Malays and British officials feared that Spitfires might be
needed to defend Malaya some day, but the country’s war jitters were subdued. Heavily involved in China since 1937, Japan was aggressive but, for the moment, preoccupied. London had entrusted the defense of Malaya to Lieutenant General Sir Arthur Percival, who had devised a textbook-perfect defense. At the peninsula’s southern tip, the important British naval base at Singapore, though lacking a permanent complement of Royal Navy warships, was guarded against sea attack by imposing batteries of coast artillery.

Yamashita’s Surprise

On December 8, 1941, Japanese dive bombers struck Singapore from bases in southern Indochina. The same day, as Japanese forces attacked Hong Kong, the Philippines, and Siam, the first of some 100,000 combat veterans, led by General Yamashita Tomoyuki, easily established a beachhead in Kelantan, on Malaya’s east coast near the Siamese border. On December 10, Japanese torpedo planes sank two of His Majesty’s biggest warships, the old Repulse and the new Prince of Wales, just north of Singapore.

The battle ashore went no better. The 89,000 British, Indian, and Australian troops (along with a Malay regiment, formed reluctantly by the British) under General Percival seemed totally unprepared for an assault from the northeast. To take Singapore, it was said, Yamashita’s forces would have to march south through hundreds of miles of “impenetrable” jungle. That is just what the “Tiger of Malaya” did.

Within 10 weeks, he had swept down the peninsula and crossed the Strait of Johor to Singapore, outthinking and outfighting his foes. Britain threw tens of thousands of reinforcements into the battle, to no avail. When Percival handed his sword to Yamashita at a Ford auto plant in Singapore on February 15, 1942, the Japanese commander, with only a three-day supply of ammunition remaining, suspected a ruse. He need not have. Percival surrendered, in what Winston Churchill later called “the worst disaster and largest capitulation in British history.” The British imperial forces lost some 125,000 men, mostly prisoners; Japan’s toll was 15,000 dead and wounded.

Malaya was still in Japanese hands when the U.S. B-29 bomber Enola Gay dropped an atomic bomb on Hiroshima in August 1945. The British returned to Malaya without a fight, and, virtually alone among the colonial peoples of Asia, the Malays, Chinese, and Indians of Malaya greeted the return of their European masters with genuine enthusiasm. A story is told of a British official who emerged from an internment camp in 1945 to find his Malay servant waiting with a suit, cleaned and crisply pressed, which he had last worn in 1942.

Yet much had changed. Far from unifying Malaya’s diverse population, the Japanese occupation had divided it more bitterly. The British returned to find bands of the Malayan People’s Anti-Japanese Army
THE EMERGENCY

Early on the morning of June 16, 1948, three young Chinese on bicycles arrived at the headquarters of the Elphil Estate, a large rubber plantation in Perak, Malaya. Courteously, they greeted Arthur Walker, the estate manager. Then they calmly shot him twice, killing him instantly.

It was no ordinary murder. Only weeks before, the leaders of the Malayan Communist Party had agreed during a secret jungle meeting to abandon their campaign to undermine British rule by inciting strikes and riots among Malaya’s tin and rubber workers. Instead, Party Secretary Chin Peng would summon 5,000 veterans of the Malayan People’s Anti-Japanese Army to wage a terrorist war in the countryside. Arthur Walker was one of its first victims.

Panic swept Malaya. On June 17, Sir Edward Gent, the British high commissioner, reluctantly declared a state of emergency. He authorized the police to issue Sten guns to civilians. The Straits Times clamored for stronger measures: “Govern or Get Out,” a headline said.

Eventually, some 40,000 British and Commonwealth troops would be deployed against the “CTs” (Communist Terrorists). At first, though, London was reluctant to send reinforcements. In Kuala Lumpur, British authority was awkwardly divided between civil officials and military commanders. In the field, wrote the Straits Times’s Harry Miller, soldiers and policemen were deployed as “a static defense force operating behind barbed-wire fences” at important mines and buildings.

That gave Chin Peng the run of the countryside; his small guerrilla bands struck isolated plantations, tin mines, and rural towns at will. In 1949, the guerrillas suffered 958 killed and captured, but slew more than 700 soldiers, policemen, and civilians—Britons, Malays, Chinese, and Indians.

Mao Zedong inspired Chin Peng’s strategy, but did little more; the CTs used weapons hoarded during World War II. Food and clothing came (sometimes at the point of a gun) from Chinese squatters living in camps on the jungle’s fringes, where they had fled to evade the Japanese during World War II. Most guerrillas were Chinese; few Malays or Indians offered them aid.

In 1950, a new British military commander, Lieutenant General Sir Harold Briggs, took aim at Chin Peng’s vulnerable supply network. Under the Briggs Plan, some 500,000 Chinese squatters were forcibly resettled in well-guarded New Villages. But the plan moved slowly, and the war continued to go badly for Britain. On October 6, 1951, the war’s blackest day, British High Commis-
sioner Sir Henry Gurney was slain in a hail of machine gun fire during a roadside ambush near Kuala Lumpur.

But then the tide began to turn. Lieutenant General Sir Gerald Templer, taking overall command, ordered his men to take the offensive. Using helicopters, parachute drops, and small-unit tactics, Templer’s elite units patiently tracked the guerrillas to their jungle hideouts. And it was Templer who made famous the notion of a campaign for “the hearts and minds” of the people. He ordered planters to provide decent housing for their workers, and, in a symbolic gesture, forced Kuala Lumpur’s elite Lake Club to admit non-whites.

Public support for the guerrillas, never very broad, began to evaporate; most of Chin Peng’s hard-core faithful were confined in the New Villages. Rice reached the guerrillas grain by grain. Scores of starving defectors stumbled out of the jungles: “Our minds were focused on nothing else but food,” recalled Osman Chima, the party’s top propagandist, who surrendered in 1954. Like many other defectors, he agreed to work against his former comrades.

In the spring of 1953, Chin Peng stunned his top aides by announcing that he was retreating with a small force into “neutral” (i.e. indifferent) Thailand. His diminishing guerrilla army was to stay behind to wage war in Malaya. The emergency dragged on for another seven years, boosting the toll of dead and missing soldiers and civilians to some 4,000. About 7,000 guerrillas died. Chin Peng had never come close to victory.

During America’s involvement in Vietnam, U.S. and South Vietnamese officials sought to apply the “lessons of Malaya,” notably in President Ngo Dinh Diem’s “strategic hamlet” program of 1961–63. Yet there were crucial differences between the two conflicts: Malaya’s communist guerrillas were members of a despised ethnic minority, fighting on an isolated peninsula without aid from abroad. In South Vietnam, the Vietcong guerrillas were supported by Laos, Cambodia, and North Vietnam. As Colonel Harry G. Summers, Jr., notes, the Vietcong played a subordinate role: They “harassed and distracted” their foes, but North Vietnamese regulars had to invade South Vietnam to win the struggle. Malaya’s was a true guerrilla war.

Today, Malaysian troops (and Thai police) still skirmish occasionally with some of the estimated 2,000 communist guerrillas hanging on near the border. Chin Peng, if he is alive, is approaching age 70, and, presumably, is still hoping for a new dawn.

up during the war without consulting the sultans, would unify all nine states of Malaya (along with Penang and Malacca) under a single colonial government. (Chinese-dominated Singapore would be a separate colony.) Most shocking of all to the Malays, sovereignty would be transferred from the sultans to the British Crown, and Malays, Indians, and Chinese would enjoy equal rights of citizenship.

Intending to rationalize the administration of Malaya and to reward the Chinese for their wartime resistance, the British inadvertently accomplished what the Malays alone could not. They united the Malays.
To the surprise of the Colonial Office, Malay aristocrats and ra'ayat alike turned out by the thousands for mass protest rallies across the land.

Addressing a throng of 18,000 Malays in Batu Pahat, Dato Onn bin Ja'afar, a charismatic Johor aristocrat, called for the creation of a new United Malay National Organization (UMNO) to represent the interests of Malays in all the states. Within months, it was done. In July 1946, London abandoned its plan for a Malayan union. Instead, UMNO consented in 1948 to a new Federation of Malaya, which restored the sultans' sovereignty and restricted non-Malay citizenship. London promised to provide "the means and prospects of development in the direction of ultimate self-government."

At this moment, the communist veterans of the wartime MPaja returned to the jungles and took up arms against the British. With Moscow's encouragement, wars of "national liberation" broke out at about the same time in Burma, Indonesia, Vietnam, and the Philippines. At first, the guerrillas, under the party chief Chin Peng, had the initiative; "the emergency," as it was called, lasted until 1960 [see box, p. 66].

The emergency deepened hostility between the Malays and Chinese; Dato Onn's proposal in 1951 to admit Chinese and Indians to UMNO cost him the leadership of the party. He was succeeded by another aristocrat, Tunku Abdul Rahman. This great-grandson of the sultan who had ceded the first slice of Malaya (Penang) to the British in 1786 was to lead Malaya to merdeka (independence).

A Knack for Compromise

The Tunku argued that Britain "must be prepared either to foster the growth of genuine nationalism or hand over this country to the Malayan Communist Party." In London, the successive Conservative governments of Winston Churchill and Anthony Eden reluctantly faced the fact that Britain could no longer afford its vast overseas empire. London was prepared to let Malaya go.

In the Kuala Lumpur municipal elections of 1952, the Tunku showed how democracy of a sort might be made to work in racially divided Malaya. UMNO formed an unusual alliance with the moderate businessmen of the three-year-old Malayan Chinese Association (MCA): The MCA would help finance UMNO's campaign and in return UMNO would back certain MCA candidates. It was an alliance of necessity, for Britain would not grant independence if Malaya's races could not prove that they could coexist. The two parties worked well together once their victorious candidates were installed in city hall, with the Malays as senior partners. In 1953, the Malayan Indian Congress joined this remarkable coalition, which came to be known as the Alliance Party.

Two years later, the Alliance Party crushed its opponents in the voting for the 52 elected seats on the 98-member National Legislative Council. Tunku Abdul Rahman became chief minister under the British
high commissioner, and vowed to win independence within two years.

To allay British fears of a post-independence racial conflagration, the three parties hammered out (with British help) the outlines of a new national constitution. It provided for a British-style parliamentary democracy under a constitutional monarch (the yang di-pertuan agong, or paramount ruler), elected by the Malay sultans from among their own number to a five-year term. But the key provisions of the new constitution codified a series of understandings among Malaya’s three races. The Malays were promised de facto political control of the nation and preferential treatment in such matters as education and government hiring, at least during the first few years of independence; the Chinese and Indians received guarantees of economic freedom and liberal access to citizenship. Islam would be the state religion, but freedom of worship would be guaranteed.

It was a peculiarly Malayan arrangement, a tribute to the Malays’ knack for compromise—a trait that would serve them well after independence. When the Tunku traveled to London in January 1956 to demand a timetable for independence, he was surprised that Prime Minister Anthony Eden agreed to fix a date just a year and a half hence.

Everything went according to plan. At the stroke of midnight on August 31, 1957, as a band played “God Save the Queen,” the Union Jack was lowered for the last time over British Malaya. The new Federation of Malaya was born. In 1963, with the addition of Britain’s ex-colonies Sabah, Sarawak, and (for two years) Singapore, it became the Federation of Malaysia. Britain left behind a healthy, export-oriented economy (which provided the highest standard of living in Southeast Asia), and a racially divided society that had, for the moment, managed to discover a kind of unity.

Historians who write about the Third World countries that gained their independence after World War II usually use words like “struggle” or “drive.” By comparison, merdeka was a peaceful Sunday morning stroll. “There has been nothing quite like it in the entire history of colonies and dependencies,” declared the Straits Times.
MAHATHIR’S DILEMMA

by James S. Gibney

“What went wrong?”

Those were the first words of The Malay Dilemma (1970), by Dr. Mahathir bin Mohamad, a young, up-and-coming Malaysian politician and future prime minister. Little more than a decade after their nation had achieved independence from Britain, many Malaysians were asking themselves the same question.

On May 13, 1969, a dozen years of relative harmony among Malays, Chinese, and Indians had ended abruptly in bloody street riots that racked Kuala Lumpur. The cause of the violence was an acrimonious national election in which the Malay-dominated Alliance Party lost 23 of its 89 parliamentary seats, but kept control of Parliament. Most of the lost Alliance seats went to moderate Chinese and Indian opposition parties. Following their “victory,” the opposition’s supporters spilled into the streets, shouting “Malays, go back to your villages!” and other slogans. Malay counterdemonstrations exploded into wild battles with sticks and knives. “We lived together as brothers for 20 years,” an anonymous Malay told the New York Times, “but once the rioting began it was Malay against Chinese. Some Chinese ran away and we killed the rest.”

By the conservative official count, when the riots ended, 196 Malaysians (mostly Chinese) were dead and thousands of homes and stores were in ashes. Under a state of national emergency declared by Prime Minister Tunku Abdul Rahman, Malaysia’s democratic constitution was suspended for 18 months and its Parliament was dismissed. It was, wrote historian John M. Gullick, “the end of an era for Malaysia.”

That era had begun smoothly enough under the avuncular Tunku, scion of the royal family of Kedah and graduate of Cambridge University. The reign of Bapa Merdeka (“the father of independence”) had not been without its travails, but racial conflict had seemed largely submerged. The chief difficulties lay elsewhere, in the events surrounding the 1963 merger of independent Malaya with Singapore and Britain’s ex-colonies on Borneo, Sabah and Sarawak, into the new Federation of Malaysia.

Proposed by the Tunku and favored by London, the merger struck Indonesia’s mercurial President Sukarno as a “neo-colonial conspiracy” and “an affront to Asia’s new emerging forces”—and, though he did not say so, an obstacle to his own designs on isolated Sabah and Sarawak. Vowing to “crush Malaysia,” he launched a Konfrontasi (Confrontation) with the new nation. For two years, Indonesian guerrillas skirmished along the remote jungle borders in Borneo with some 10,000 British, Gurkha, and Malaysian troops; Sukarno even dispatched small sea- and
Prime Minister Mahathir bin Mohamad raises his arms in triumph as his United Malays National Organization (UMNO) and its National Front allies sweep to victory in the April 1982 election that confirmed him in office.

Air-borne units on ill-fated raids on the Malay Peninsula.

Absurd as Sukarno's campaign was, it paled in improbability next to the effort to incorporate Chinese-dominated Singapore into the new Federation of Malaysia. Unlike the Chinese of old Malaya, the city's irrepressible Lee Kuan Yew (who insisted on continuing to use the title of prime minister) was not content to play junior partner to the Malays. To the dismay of the Tunku and other Malay leaders, he sharply questioned Malay special privileges and campaigned for a "Malaysian Malaysia," in which "the nation and state [are] not identified with the supremacy, well-being, and interests of any one community or race." A falling out was inevitable. In the summer of 1965, the Tunku expelled Singapore from the federation. "If we had not separated," he later commented, "there would have been blue murder."

It was easy to dismiss these disturbances as the natural growing pains of a remarkably healthy new nation. Unlike most Third World countries, Malaysia held regular democratic elections. Its government bureaucracy was well-trained and efficient. Its senior military officers, steeped in the British Sandhurst tradition, steered clear of politics.

Throughout the 1960s, rubber and tin, the old standbys, supported Malaysia's sturdy economy. Shunning the dreams of instant industrialization, which led so many contemporary Third World leaders to squander
millions on giant steel mills and other grandiose projects, the Tunku and his top aides encouraged a variety of modest private ventures in light industry—pineapple canneries, textile mills, television assembly plants—on the island state of Penang, and in Kuala Lumpur and other growing cities. Plantation managers diversified into palm oil, a lucrative commodity used in the manufacture of soaps, cosmetics, and chocolate.

In May 1969, Malaysians could look back upon a decade of quiet, but enviable, economic accomplishments: Despite a rate of population expansion equal to that of Ethiopia (2.6 percent annually), economic growth averaged six to seven percent a year, and inflation was nearly zero. Along with Hong Kong and Singapore, observed Australian economist Wolfgang Kasper, Malaysia rated as one of the Switzerlands of Southeast Asia, "a well-to-do, politically stable, neutral, and rather conservative country with a laissez-faire economy."

So what went wrong?

Dr. Mahathir's answer was, in part, that "the Malays were disenfranchised because in their eyes the Government continually favoured the Chinese and had failed to correct the real imbalance in the wealth and progress of the races." Despite Kuala Lumpur's efforts to bring the Malays into the economic mainstream—an ambitious rural education and development program, racial quotas for government jobs, subsidies for Malay businessmen—they generally remained at the bottom of the economic ladder. Moreover, argued Mahathir, the Tunku mistakenly "believed that the Chinese were only interested in business and acquisition of wealth." To the Malays who rioted in Kuala Lumpur, the elections of 1969 raised the specter of eventual Chinese economic and political domination of Malaysia.

Tun Razak's Remedy

For his unseemly personal criticism of the Tunku, Mahathir was expelled from the United Malays National Organization (UMNO), the dominant faction of the Alliance Party coalition (which also included the Malaysian Chinese Association and the Malaysian Indian Congress). The Malay Dilemma was banned from bookstores. But what Malaysians now call the May 13 Incident was a watershed. Bapa Merdeka resigned from office the next year and his successor, Prime Minister Tun Abdul Razak, veered sharply in Mahathir's direction.

In 1971, Tun Razak announced his New Economic Policy (NEP), a kind of super affirmative action program for Malays and other indigenous people—or, as they were increasingly called, the bumiputras (sons of the soil). Among the NEP's goals: the reduction of poverty from about 49 percent of the population (mostly Malays) to 17 percent in 1990.

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“racial balance” in various occupations, to be achieved partly through informal quotas (e.g., Malays were granted 75 percent of all university admissions); and an increase in the Malays’ share of corporate equity from one percent in 1969 to 30 percent by 1990. Tun Razak created a handful of large, government-backed institutions, such as Bank Bumiputra, to aid Malay entrepreneurs and to buy up and manage corporate assets “in trust” for the Malays.

Tun Razak thus scrapped any pretense that Malays, Chinese, and Indians were equal political partners. Summoning Parliament in 1971, he virtually commanded the legislators, who normally did little more than rubber stamp government proposals, to approve a series of constitutional amendments that codified existing Malay special privileges.

Other amendments outlawed, in the Singapore Herald’s words, all discussion of “sensitive” issues (even in Parliament) “which might arouse racial emotions in respect of the National Language, the special position of the Malays and other natives, citizenship rights and the sovereignty of the Malay rulers [sultans].” These restrictions also apply to the nation’s many Malay-, Chinese-, and English-language newspapers. No censors are at work, but newspapermen have been held in check by the need to seek renewal of their government publishing licenses every year.

No Losers

Before the 1974 general elections, in the discreet style of Malaysian politics, Tun Razak had dissolved the Alliance Party and skillfully forged a broader nine-party Barisan Nasional (National Front). Included in the coalition were not only the old Alliance partners but several strange bedfellows and one-time foes of the Alliance: the largely Chinese, communist-influenced, Sarawak United People’s Party and the fundamentalist Islamic Party (PAS).

Somehow, Tun Razak’s conservative revolution worked. With all debate over the fundamental issues of Malaysian politics banned, his political rivals had little reason to remain in opposition. They could be wooed with the traditional rewards of one-hand-washes-the-other politics: cabinet posts, patronage, honors. And while the NEP stirred deep resentment among the Chinese, Tun Razak did not intend to take from Peter to pay Paul. During the early 1970s, it appeared that the NEP’s ambitious goals could be financed simply by skimming off some of the nation’s growing bounty—“no particular group will experience any loss or feel any sense of deprivation,” the plan promised.

Fortunately for Tun Razak and his successor, Datuk Hussein Onn, also a member of UMNO, the 1970s were generous to Malaysia’s planters and businessmen. Between 1970 and 1978, the country’s gross national product per capita increased by 7.9 percent annually. The discovery of fresh reserves of oil and natural gas off the coast of Sabah and Sarawak, along with steep increases in the prices they fetched overseas,
SKYSCRAPERS, MINARETS, AND FAMOUS AMOS

Hong Kong has its monumental high-rises, Bangkok, its chaotic urban sprawl, Singapore, its clockwork capitalism. But Kuala Lumpur remains, as British novelist W. Somerset Maugham wrote almost half a century ago, "busy, but without haste," a city with "a sense of the rhythm of life."

Almost entirely surrounded by low hills covered with lush jungle vegetation, which seems forever to be on the verge of engulfing the city, "K. L." lacks the air of metropolitan frenzy that prevails in other Asian capitals. Its people are also more diverse. Walking along the narrow lanes of Chinatown, past stalls offering roast duck and other delicacies, one sees sedate crowds of Chinese, Malays, and Tamils. Women stroll by clad in the Malay sarong, the Indian sari, or the Chinese samfoo. A turbanned Sikh on a motorcycle is followed by a helmeted Malay. A British businessman makes his way through the crowd. This is a city that celebrates the New Year four times a year.

In K. L., as in most Malaysian cities, the Chinese predominate, making up slightly more than half of the city's population of 940,000. While more and more Malays are leaving the rural kampongs, they still account for only one-third of the inhabitants. The economic pecking order is neatly symbolized by the headquarters of the Rubber Trade Association of Selangor & Pahang, which proudly spells out its name in Chinese characters on a sign outside its top floor, and in English and Malay on successive stories below.

Nowhere is Malaysia's odd mix of races and traditions more apparent than around the Padang, the large, well-manicured field near the city's center, which functions as cricket pitch, soccer field, and site of official ceremonies. On one side sits the Selangor Club, a mock Tudor-style legacy of colonial times, still the place where the city's elite—now mostly wealthy Chinese businessmen and Malay officials—gather over stengahs and gimlets.

Across the Padang is the old Secretariat building, a fusion of white arches and copper minarets, with a decidedly English clock tower at its center. On a third side of the Padang is the Anglican Church of St. Mary's. And nearby is the Arabic-style, red brick Jame Mosque, the center of Islam in Malaysia until the construction of the modernistic National Mosque in 1965. Surrounding these structures are two- and three-story tin-roofed Chinese dwellings and businesses, overshadowed by a thicket of glass-and-steel towers which house Citibank, the Hong Kong Bank, and other multinational enterprises.

The building boom of the last decade, now stalled, has imposed increasing uniformity on Kuala Lumpur's once-ragged skyline. Affluence has brought other changes. K. L.'s Chinese, Malays, and Indians can sample the "international" cuisine of Wendy's or Shakey's Pizza, and buy Famous Amos cookies for dessert. The well-to-do can drive their BMWs to posh watering holes at the Hilton, Merlin, Equatorial, and other first-class hotels. Just as prosperity has muted Malaysia's racial conflicts, it has created a more "international," and thus less colorful, Kuala Lumpur.

—J. G.
provided an unexpected bonus.*

The relatively tranquil 1970s also saw the return of Dr. Mahathir from the political wilderness to the UMNO ranks, and in July 1981 he succeeded the ailing Datuk Hussein as prime minister. Mahathir represents a "first" in many ways. He is the first prime minister not of royal blood, and the first neither educated in Britain nor trained in law (he is a physician). He has a reputation as something of an intellectual—impatient, idiosyncratic. "I'm not a very nice personality," Mahathir declared after assuming office. "I like to speak my mind and I may offend people in the process. But, apart from differences in style and abrasiveness, perhaps, there will be very little change."

The Proton Bomb

Those reassuring words aside, Dr. Mahathir swiftly demonstrated that some things would be different. In 1981, he snubbed a meeting of British Commonwealth leaders, complaining that the Commonwealth "doesn't carry out its word."† At the same time, a protracted economic dispute with Britain led him to pursue (briefly) a "Buy British Last" policy—pointedly announced as the British trade minister was on a "Buy British" regional tour. Dismissing the "decadent" West, Mahathir exhorted his fellow Malays to "Look East" and emulate the industrious Japanese and South Koreans. The United States, Malaysia's third largest trading partner after Japan and Singapore, also came in for criticism. During a 1984 speech in Washington, Mahathir charged that the United States "often supports vested interests and opposes much needed international reforms [e.g., the Law of the Sea treaty, the new international economic order] that would bring relief to many small Third World countries." Yet Malaysia's relations with Washington have remained cordial. And the premier has kept his country firmly attached to the six-member Association of South East Asian Nations, critical of Vietnam's occupation of Kampuchea and watchful of China.

At home, Mahathir called for "clean, efficient and trustworthy" government. He demanded that civil servants wear name tags, conform to a dress code, and arrive for work punctually every morning. The prime minister took his schoolmaster role seriously, sometimes inspecting offices to see if government employees were at their desks.

Arguing that too many Malaysians (23 percent of the work force in 1984) were employed by government and by bloated public enterprises,

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*Sabah and Sarawak are far more independent of Kuala Lumpur than are the peninsular states. To visit Sabah, for example, a peninsular Malaysian needs an internal passport. Sparsely populated, poor, renowned in the past for corrupt government, the two Borneo states have forged their own distinct political arrangements. The Malays and Chinese are minorities, outnumbered by dozens of diverse Muslim, Christian, and animist Borneo tribes. The current chief minister of Sabah, for example, is Datuk Pairin Kitingan, a Catholic member of the Kadazan tribe.

†A long-planned withdrawal of Commonwealth military forces in Malaysia will be completed this spring, when an Australian jet fighter squadron based at Butterworth is scheduled to return home.
Malay tradition and Islamic fundamentalism are sometimes at odds. Here, a Malay couple exchange vows in a wedding ritual called the bersanding ceremony, now denounced by Islamic revivalists as Hindu-inspired.

The prime minister has put the national airline, the telephone system, and some port facilities on the auction block. The receipts are to be channeled into Mahathir's new effort to create, virtually from scratch, whole new industries—cement, steel, autos. One reason: Many of the nation's older, established light industries, such as Penang's integrated circuit assembly plants, were jarred by recession during the 1980s. (Malaysia is the world's Number One exporter of semiconductors.) And growing competition from Indonesia and other Asian competitors with lower labor costs threatened the slow strangulation of these enterprises.

The chief symbol of Dr. Mahathir's new effort has been the Proton Saga, a subcompact car manufactured by the government's Malaysian Heavy Industries Corporation and Japan's Mitsubishi conglomerate. ("Japanese made, Malaysian chop [name]," joke Malaysians who note that nearly three-quarters of the car's parts are imported from Japan.) Amid great fanfare, the first Proton Saga rolled off the assembly line in 1985. With the help of generous government subsidies and high tariff walls it soon captured half the domestic small car market. Yet, the ultra-modern plant is operating at only 75 percent of capacity. Despite the ceremonial sprinkling of holy water on Protons bound overseas, plans to export the car to the United States have hit numerous snags.
To expand the domestic market for the Proton and other products of Malaysia’s planned “mass consumption” industries, Mahathir in 1984 unveiled another startling policy: Kuala Lumpur would offer workers tax breaks and maternity leaves to encourage a nearly five-fold increase in the population (now 15 million) by the year 2100.*

All of this, however, has come at a time when fortune has begun to frown on Malaysia’s commodity-based economy. The price of petroleum, the country’s largest foreign exchange earner, dropped from $34 per barrel in 1982 to $15 in 1986. The markets for tin and palm oil likewise collapsed. Malaysia suffered its worst recession in 30 years.

In Kuala Lumpur, that has meant readily available taxis, sparse crowds of evening shoppers, and fire sale prices (a barely used Rolls Royce could be had earlier this year at one-third its original sticker price). A building boom that began at the turn of the decade has ended; the glittering new high-rise office buildings and hotels are plagued by vacancy rates of up to 35 percent, much like Houston, Texas. Malaysia had become, as the Economist put it recently, “a shop stocked with things that nobody much wants.”

Veils In, Swimsuits Out

Yet the political consequences of the economic downturn have been more disturbing. Last year, Mahathir announced—indirectly, during an interview on Australian TV—that the timetables and some rules of Malaysia’s ambitious NEP were temporarily “in abeyance.” As University of Malaya economist Paul Chan explained it, “There cannot be redistribution [of wealth] if there is no growth.” In fact, the relaxation had already begun; last year Mahathir loosened restrictions on foreign investments (e.g., requirements that Malays own part of all foreign ventures in Malaysia). In 1985, Kuala Lumpur had been shocked to discover not only that bumiputra ownership of Malaysia’s corporate assets had inched up to only 18 percent, but that foreign investment had dropped even below the NEP’s 30 percent target (to 25 percent).

For many Malays, this has been a frustrating decade. The NEP has brought change, but not the great socioeconomic transformation that some expected. During the 1970s, Malay university graduates had their pick of jobs in government and business; now hundreds of them are unemployed. According to Kuala Lumpur, poverty among all races had dropped to 18 percent by 1984. But the official data also showed that Malay padi (rice) farmers and rubber smallholders, living mostly in the northern states of the Malay Peninsula, were still overwhelmingly poor.†

*Malays now make up 48 percent of the population of Malaysia, the Chinese 34 percent, and the Indians nine percent, with indigenous peoples, who are considered bumiputras, accounting for most of the remaining nine percent. The Malays are increasing their numbers faster than the Chinese.

†Overall, according to the World Bank, Malaysians enjoy incomes per capita of $2,050. They thus lead the Indonesians ($330) and Thais ($830), but lag behind the Singaporeans ($7,420).
The spread of disaffection has cost UMNO some supporters. Today, for example, the rural north is the stronghold of a fundamentalist Islamic revival, which began during the first heady days of the NEP, largely among the university students who were some of the NEP’s chief beneficiaries. “On local campuses,” explains Suhaini Aznam of the Far Eastern Economic Review, “rural students unused to tough academic competition from Malay and non-Malay urbanites, turned to Islam as the one familiar aspect of a more traditional village lifestyle, one in which they could shine” and find security. Gradually, the poor and the middle class followed the students’ example.

The most visible sign of the Islamic resurgence has been the vast increase in the wearing of “correct” Islamic garb. A decade ago, one would have been surprised to see women in Kuala Lumpur wearing the selendang or mini-telekung, partial veils that cover the head but not the face. Today, they are a common sight. Among men, songkoks and other Islamic caps are commonly worn.

As always, most Malays tend to be pragmatic. For example, fearful of offending Muslim sensibilities, the sponsors of the 1986 Miss Malaysia contest decided that the pageant would go on as usual, except that the provocative “swimsuit competition” would be closed to the public. But Islamic fundamentalists are now everywhere. Dakwah (proselytizing) groups, whose members often live apart from society in order to remain true to the Koran, have blossomed since the 1970s; radicals promoting a jihad (holy war) to transform Malaysia into an Islamic state have clashed with police. In politics, the fundamentalists are represented chiefly by Haji Yusof Rawa’s PAS, which left the Barisan Nasional coalition in 1977, calling for Malaysia’s transformation into an “Islamic state” partly modeled on Iran. (The Iranians, however, are Shi’ite Muslims; most Malays belong to the Sunni sect.)

The Missing Links

Mahathir has dismissed his Muslim critics as “reckless and emotional extremists,” but he has taken the fundamentalist threat seriously. During his first two years in office, he aimed to “out-Islam” PAS by creating such institutions as the Islamic Bank (which now has 116,000 account holders) and the International Islamic University. He has accused “Zionists” of sabotaging the economy, and regularly attacks Israel in speeches. Following the customary practice of Malaysian politics, he enticed a charismatic Muslim youth leader, Encik Anwar Ibrahim, into joining UMNO, and later appointed him minister of education. Encik Anwar is now a strong candidate to become prime minister someday.

Yet, whenever “Islamicization” has stirred deep Chinese and Indian opposition, Mahathir has retreated. Compulsory college classes in Islamic civilization became voluntary for non-Muslims; the government proposed public morality laws (e.g., making it a crime for an unmarried
couple to hold hands in public), then withdrew them.

For the time being, Mahathir's strategy seems to have succeeded. In the August 1986 parliamentary elections, PAS won only one seat of the 85 it contested. But Mahathir must also worry about maintaining the unity of the Barisan Nasional. Its non-Malay member parties, notably the Malaysian Chinese Association, are losing support as they face growing pressure from their rank-and-file to stand up for non-Malay interests. And a series of financial scandals ("hanky-panky," the Malaysians call it) has turned Mahathir's 1982 "clean, efficient and trustworthy" slogan into a joke. Commented Tunku Abdul Rahman, the ex-prime minister, this year on his 84th birthday, "Everybody seems to be corrupt."

No one has accused Mahathir himself of any impropriety, but his autocratic style has angered many. In March 1987, Trade and Industry Minister Tunku Razaleigh Hamzah observed that "sometimes people in power get a bit swollen-headed." Shortly thereafter, during UMNO's regular internal elections, he mounted a bitter, unprecedented challenge to Mahathir's party leadership. Bumper stickers appeared declaring "We want two-car"—a pun on the Malay word tukar, or change.

A loss to Razaleigh within UMNO probably would have cost Mahathir the prime ministership. Obliquely, Mahathir's critics suggested that the future of Malaysia's "modified" democracy was at stake. "How many people have I shot?" the prime minister responded. Last April, by a wafer-thin margin (43 votes out of 1,479 cast), Mahathir retained the presidency of his party.

Yet Mahathir's victory will bring him little respite. The battle within UMNO is largely over for now, but Malaysia's larger struggle as a nation may be just beginning. In homogenous South Korea, Taiwan, Singapore, and Thailand, hard-won economic gains have been fueled by consensus and unimpeded by racial strife. In Malaysia, however, the long easy years of post-independence prosperity, which allowed its politicians to buy racial calm, seem to be over. And the old, multi-racial, British-educated leadership, whose shared values, as one historian wrote, "provided the main links by which a communally fragmented society was held together," is gone. For Dr. Mahathir—and his successors—the problem will be to appease the dissatisfied majority, the bumiputras, without once again angering the minorities and threatening the peace which is essential to Malaysia's future as a Third World success story.
From The Suma Oriental (Hakluyt Society, London, 1944) of the 16th century, by Portugal's Tomé Pires, to the present day, most studies of Malaysia have been written by Europeans. And, until recently, argues Syed Hussein Alatas of the University of Singapore, most have perpetuated The Myth of the Lazy Native (Cass, 1977).

In a colorful tour of earlier historical writings, Alatas cites dozens of examples of this stereotype. In 1927, for example, Hugh Clifford flatly stated that the Malay "never works if he can help it, and often will not suffer himself to be induced or tempted into doing so by offers of the most extravagant wages."

But, as Alatas notes, the Europeans themselves often unwittingly provided contrary evidence. An English missionary reporting on a visit to Malacca households in 1879 wrote that "the women were lounging about the houses, some cleaning fish, others pounding rice; but they do not care for work."

Asks Alatas: "Is cleaning fish and pounding rice not work?"

In fact, he writes, the Malays were successful in many ventures, not only as independent farmers, but as surveyors, prospectors, drivers, and boatmen. They did shun poorly paid jobs in the tin mines, on the rubber plantations, and in other corners of the burgeoning colonial economy. And that earned them the scorn of the tuans (masters).

The Malays "were considered indolent," Alatas argues, only "because they avoided the type of slave labor which the Chinese and the Indians were compelled to do owing to their immigrant status."

In Peasants and their Agricultural Economy in Colonial Malaya, 1874–1941 (Oxford, 1977), Lim Teck Ghee, of the University of Malaysia, seconds some of Alatas's views. The British, he argues, often thwarted the Malays' efforts to enter the modern cash economy on their own terms.

During the turn-of-the-century rubber boom, for example, thousands of enterprising Malay peasant farmers cleared virgin forests to plant the new cash crop. "Instead of encouraging peasant cultivation of the crop...the colonial government, persisting in the view that peasants should be subsistence [rice] producers and that cash cropping should be a monopoly of the planters, tried to prevent its growth." In some cases, British officials refused to lease government lands to Malay rubber smallholders.

Even so, many Malays do not subscribe to the "damned colonialists" theory. Among them is Dr. Mahathir bin Mohamad, Malaysia's prime minister since 1981.

His diagnosis of The Malay Dilemma (Asia Pacific, 1970) includes a few jibes at the British, whom he accuses of creating an informal "partnership" with the Chinese at the expense of the Malays. But, in Dr. Mahathir's idiosyncratic view, the "debilitating" effects of heredity and environment are the chief causes of Malay "backwardness."

In ancient Malaya, he writes, "No great exertion or ingenuity was required to obtain food. There was plenty for everyone throughout the year... Even the weakest and the least diligent were able to live in comparative comfort, to marry and procreate. The observation that only the fittest would survive did not apply."

Dr. Mahathir contends that by 1970, political dominance, hiring quotas, and other advantages were making the Malays softer. "Removal of all protection would subject the Malays to the primitive laws that enable only the fittest to survive... It would perhaps be possible to breed a hardy and resourceful race capable of competing against all comers."
Unfortunately, we do not have 4,000 years to play around with."

After the Chinese-Malay riots of 1969, other Malay politicians concluded (for reasons of their own) that more special privileges for Malays were needed. These were contained in the 1971 New Economic Policy (NEP).

The mystery is why the Chinese, who own and manage so much of Malaysia’s economy, have so readily accepted second-class political status. The short answer is that they have little choice. They make up only about one-third of the population. And, despite the NEP, Malaysia’s Chinese are generally more prosperous than overseas Chinese in Thailand and many other nearby lands. The Chinese in Malaya (Oxford, 1967), by Victor Purcell, is the classic account of their success.

As John M. Gullick writes in Malaysia: Economic Expansion and National Unity (Westview, 1981), the Chinese, traditionally indifferent to local politics, have never been able to unite—which may be fortunate for Malaysia. The Chinese city street vendor and trishaw (combination rickshaw and bicycle) driver, and the poor farmer of the rural New Villages created during the emergency, have little in common with the British-educated businessmen who head the Malaysian Chinese Association.

In The Consul’s File (Simon & Schuster, 1984), a collection of short stories set in Malaysia involving one family, novelist Paul Theroux portrays some of the schisms that divide the Chinese community. Woo Boh Swee, the owner of a small-town coffee shop, “was thoroughly Chinese; he was a chain smoker, he played mahjong on a back table of the shop, he observed all the Chinese festivals…. He and his wife were great gamblers, and they had two children. The children went to different schools. It was as if, this once, the Woos were hedging, making an each-way bet. The girl, Jin Bee, was at the Chinese primary school; the boy, Reggie, had been to the Anglo-Chinese school, then to Raffles Institution and the University of Singapore.”

Another fine fictional description of the many hues and anomalies of Malaysian life, set during the 1950s, is Anthony Burgess’s Malayan Trilogy (Penguin, 1973). A sultan is described as a sophisticate abroad, but “bounded by his own blood and his own river” at home; a high Malay official regards the British as “haughty, white, fat, ugly, by no means sympathique, cold, perhaps avaricious,” but feels “a sort of warmth” toward them. English-educated Lim Cheng Po concludes: “When we British finally leave, there’s going to be hell.”

A more recent visitor to Malaysia found the racial antipathies every bit as strong as they were during the 1950s. “It was said in Malaysia,” writes V. S. Naipaul in Among the Believers (Random, 1982), “that if the Chinese as a community became Muslims, the Malays would become Buddhists.”

As Gordon P. Means observes in Malaysian Politics (Hodder & Stoughton, 1976), even the remarkably effective political system that Malaysia’s leaders have fashioned to accommodate the nation’s racial divisions is potentially explosive. The ban on public discussion of racial issues, a muzzled press, and restrictions on opposition parties leave dissenters few outlets.

Easy as it is for Westerners to criticize Malaysia’s stunted democratic institutions and the pro-Malay bias of the NEP, Means concludes, it is difficult to imagine workable alternatives that would make “a more unified and democratic society.”